

ARTICLE APPEARED  
ON PAGE A-2NEW YORK TIMES  
30 January 1984

STAT

## New NATO Study Says Spending By Soviet on Military Has Slowed

BRUSSELS, Jan. 29 (Reuters) — A new NATO report says Soviet military spending has slowed over the last seven years and asserts that previous Western estimates have exaggerated Moscow's arms buildup.

The report, prepared by the North Atlantic Treaty Organization's Economic Committee, concludes that since 1976 Moscow's defense outlays have grown at less than 2.5 percent a year after inflation, compared with 4 to 5 percent in the early 1970's.

The new report shows that previous NATO estimates of growth in Soviet arms spending were overstated. Last year's report said real annual growth of at least 4 percent was continuing.

The study comes after similar conclusions last year by the Central Intelligence Agency, one of NATO's main sources of information. The C.I.A. findings, which scaled down the agency's previous estimates of Soviet military spending, led some experts to challenge assumptions behind President Reagan's military buildup.

### Causes for Slowdown

The new NATO study cites several possible causes of the slowdown in arms procurement programs, including a general decline in the growth of productivity in the Soviet economy, supply problems and the technical complication of modern weapons.

But it finds no evidence that Soviet leaders have formally decided to slow down military growth.

In the last three years "about as many systems have been in develop-

ment as in each of the previous two decades," it says.

The estimates are based on assessments of how much it would cost to produce each new piece of Soviet weaponry spotted by Western intelligence.

The NATO study says Moscow's real military spending far exceeds the official defense budget figure, which gives the impression of constant or even declining spending since 1972.

### Military Spending Doubles U.S.

It estimates that in current prices, the Kremlin spends between 14 and 16 percent of its gross national product on the military, compared with around 3 percent in most European NATO nations and 6 percent in the United States.

The report notes that despite the decline in the arms growth rate, the Soviet Union produced large quantities of new military equipment in the late 1970's and early 1980's, including about 2,500 ballistic missiles, 6,000 combat and interceptor aircraft and nearly 15,000 tanks.

In addition, Moscow has improved existing weapons systems, including its strategic nuclear forces, the study says.

It stresses that even with a slower rate of arms spending growth, the Soviet Union will continue to build up its military strength in the coming years.

The study was delivered to a NATO ministerial meeting last month but no details of it were made public at that time. An unclassified summary of its findings has now been issued by some European NATO delegations.